Convergence and Communication, Photonics, Indian Language Technologies etc. DIT has also set up scientific societies such CDAC, SAMEER and Media Lab Asia to take up R&D in specific areas.

Hardware and electronic manufacturing in India

894. SHRI DARA SINGH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it it a fact that hardware manufacturing in India has lagged far behind in software and services due to lack of supportive eco-system;

(b) if so, what steps Government have taken in this regard including rising demand of semi-conductor products which are being imported by the country between Rs. 2000-2500 crores;

(c) whether Government are also planning to set up joint ventures in hardware and electronic manufacturing with foreign manufacturing countries; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) Yes, Sir.

(b) Steps taken by the Government for promotion and growth of Electronics/IT Hardware Industry in the country are given in the Statement *(See below)*.

(c) No, Sir.

(d) Does not arise.

Statement

Steps taken by the Government for promotion and growth of Electronics/IT Hardware Industry in the country

1. Approvals for all foreign direct investment upto 100% in the Electronics/IT Hardware manufacturing sector are under the automatic route.

2. National Common Minimum Programme (NCMP) of the Government emphasizes on energizing and sustaining the growth of manufacturing industry including IT Hardware.

3. Peak rate of customs duty has been reduced to 12.5%. Customs duty on ITA-I items (217 items) has been abolished from 1.3.2005. All goods required in the manufacture of ITA-I items have been exempted from customs duty subject to Actual user condition. Customs Duty on specified raw materials/inputs used for manufacture of electronic components or optical fibres/cables is 0%. Customs duty on specified capital goods used for manufacture of electronic goods/semiconductors is 0%.

4. Excise duty on computers is 12%. Microprocessors, Hard Disc Drives, Floppy Disc Drives, CD ROM Drives, DVD Drives, USB Flash Memory and Combo-Drives have been exempted from excise duty. Parts, components and accessories of mobile handsets including cellular phones are exempted from excise duty.

5. Export Promotion Capital Goods scheme (EPCG) allows import of capital goods on payment of 5% customs duty. The export obligation under EPCG Scheme can also be fulfilled by the supply of Information Technology Agreement (ITA-I) itmes to the DTA provided the realization is in free foreign exchange.

6. Supplies of Information Technology Agreement (ITA-I) items and notified zero duty telecom/electronic items in the Domestic Tariff Area (DTA) by Electronics Hardware Technology Park (EHTP)/ Export Oriented Unit (EOU) units are counted for the purpose of fulfillment of positive net Foreign Exchange Earnings (NFE).

7. Special Economic Zones (SEZs) are being set up to enable hassle free manufacturing and trading for export purposes. Sales from Domestic Tariff Area (DTA) to SEZs are being treated as physical export. This entitles domestic suppliers to Drawback/DEPB benefits, CST exemption and Service tax exemption. 100% Income Tax Exemption on export profits is available to Special Economic Zone (SEZ) Units for 5 years, 50% for next 5 years and 50% of ploughed back profits for 5 years thereafter.

8. Second hand capital goods are freely importable.

9. EOU/EHTP units are eligible for Income Tax exemption on export profits, upto 2009-10, in terms of Sections 10A and 10B of the Income Tax Act.

10. To induce more investment for Research and Development activities, a weighted deduction of 150% on the sums paid to any university, college or an institution or a scientific research association for the purposes of scientific, social or statistical research is available.

Private telecom service providers

895. SHRI T.S. BAJWA: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government/TRAI are aware that private telecom service providers both landline and mobile are cheating the consumers through manipulated metering of the calls, which are recorded as matured as and when the line is through but the call has actually not matured;

(b) if so, the names of the telecom companies involved, and the remedial action so far taken to rectify the situation; and

(c) if not, the effective action in the matter that has so far been taken, the reasons therefor and by when needful is likely to be done in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) to (c) Telecom Regulatory Authority of India (TRAI) has ben receiving billing related complaints which includes metering also. In order to address customers concerns relating to metering and billing accuracy, TRAI had notified the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations 2006 on 21.03.2006. As per the regulation the service providers have to get audited and certified their metering and billing systems from any one of the auditors notified by TRAI and file the Audit report by 30th June of every year. They are also required to file with TRAI the action taken report on the audit report by 30th September of every year. TRAI has notified the pane of auditors on 28.8.2006. The billing complaints received in TRAI will also be got verified/examined through the auditors.